

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 187, As Amended in the Senate

BY BUSINESS COMMITTEE

AN ACT

RELATING TO MOTOR VEHICLES; AMENDING CHAPTER 28, TITLE 49, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 49-2805A, IDAHO CODE, TO PROVIDE FOR NOTICE RELATING TO CERTAIN ADVERTISEMENTS AND TO DEFINE A TERM; AMENDING SECTION 49-2806, IDAHO CODE, TO PROVIDE THAT A MOTOR VEHICLE SERVICE CONTRACT PROVIDER, ITS REPRESENTATIVE OR ANY OTHER PERSON MAY NOT MAKE, PERMIT OR ALLOW TO BE MADE CERTAIN STATEMENTS OR DELIBERATELY OMIT CERTAIN STATEMENTS IN CONNECTION WITH THE SALE, OFFER TO SELL OR ADVERTISEMENT OF A MOTOR VEHICLE SERVICE CONTRACT, AND TO PROVIDE FOR APPLICATION OF LAW; AND AMENDING TITLE 49, CHAPTER 28, IDAHO CODE, BY THE ADDITION OF A NEW SECTION, 49-2811, IDAHO CODE, TO PROVIDE THAT THE ATTORNEY GENERAL MAY BRING AN ACTION FOR CERTAIN VIOLATIONS AND TO PROVIDE PROVISIONS RELATING TO THE AUTHORITY OF THE ATTORNEY GENERAL AND THE DISTRICT COURT; AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 28, Title 49, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 49-2805A, Idaho Code, and to read as follows:

49-2805A. NOTICE. (1) All advertisements to sell a motor vehicle service contract from an automobile dealer licensed pursuant to chapter 16, title 49, Idaho Code, a motor vehicle manufacturer, a motor vehicle service contract provider, its representative or any other person, shall contain the following notice in clear, conspicuous and understandable language that is easy to read and is in substantially the following form:

"THIS IS AN ADVERTISEMENT FOR A MOTOR VEHICLE SERVICE CONTRACT. THE SENDER OF THIS ADVERTISEMENT IS (INSERT NAME AND CONTACT INFORMATION OF THE LICENSED IDAHO AUTOMOBILE DEALER, THE MOTOR VEHICLE MANUFACTURER, THE MOTOR VEHICLE SERVICE CONTRACT PROVIDER, ITS REPRESENTATIVE OR THE PERSON SENDING THE ADVERTISEMENT)."

(2) The term "advertisement" as used in this section shall not include any marketing materials provided to consumers within the offices of a licensed automobile dealer or at the point of sale of a motor vehicle service contract.

SECTION 2. That Section 49-2806, Idaho Code, be, and the same is hereby amended to read as follows:

1 49-2806. PROHIBITED ACTS. (1) A motor vehicle service contract provider may not
2 use in its name, contracts or literature:

3 (a) Any of the words insurance, casualty, surety, mutual or any other words descriptive of
4 the insurance, casualty or surety business; or

5 (b) A name deceptively similar to the name or description of any insurance or surety
6 corporation, or any other motor vehicle service contract provider.

7 (2) A motor vehicle service contract provider, ~~or~~ its representative or any other person
8 may not make, permit or allow to be made any false, deceptive or misleading statement, or
9 deliberately omit any material statement that would be considered misleading if omitted, in
10 connection with the sale, offer to sell or advertisement of a motor vehicle service contract.

11 (3) A motor vehicle service contract provider, its representative or any other person may
12 not make, permit or allow to be made any advertisement to sell a motor vehicle service contract
13 that does not comply with section 49-2805A, Idaho Code.

14 SECTION 3. That Chapter 28, Title 49, Idaho Code, be, and the same is hereby amended
15 by the addition thereto of a NEW SECTION, to be known and designated as Section 49-2811,
16 Idaho Code, and to read as follows:

17 49-2811. ENFORCEMENT BY ATTORNEY GENERAL. The attorney general may,
18 when in the public interest, bring an action pursuant to the Idaho consumer protection act,
19 chapter 6, title 48, Idaho Code, against any motor vehicle service contract provider, its
20 representative or any other person for a violation of the provisions of section 49-2805A or
21 49-2806, Idaho Code. For purposes of such action, violations of the provisions of section
22 49-2805A or 49-2806, Idaho Code, shall be deemed to be violations of the Idaho consumer
23 protection act. In any such action, the attorney general and the district court shall have
24 the same authority as is granted the attorney general and the district court under the Idaho
25 consumer protection act.

26 SECTION 4. This act shall be in full force and effect on and after July 1, 2009.
27 Provided that Section 1 of this act shall be null, void and of no force and effect on and after
28 July 1, 2010.